SCRAP TIRE ADVISORY COMMITTEE MEETING SUMMARY

June 8, 2011 10:00 a.m. - 12:00 p.m. Lansing, Constitution Hall, Atrium North Rachel Carson Conference Room

Name	Affiliation	Phone Number	E-mail Address
Participants		1	
Bud Dingus	Environmental Rubber	810-240-9833	bdingus@fortistar.com
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Welcome by Rhonda Oyer and introduction of participants.

Elizabeth Browne provided an update on the budget. We will get enough funding in the coming year to maintain our programs.

Previous meeting summary: The March 9, 2011, meeting summary was reviewed. No comments were made. They will be finalized and placed on the Web site.

Scrap Tire Cleanup and Market Development Grants: Rhonda Oyer provided an update of the FY10 Cleanup and Market Development Grants. The final payment was made during the first week of June for the 2010 grant cleanup. There are two outstanding market development grant projects. One is a road project in Cass County until mid July and the other is through Michigan State University. MSU is testing different types of rubber modified pavements. Installation is to occur later this year.

Since most large scrap tire piles have been cleaned up in the state, we are now seeing smaller cleanup projects. These smaller cleanups are sometimes unprofitable for tire haulers/processors due to transportation costs. We could consider allowing some money for transportation costs in the future. For smaller cleanups, we could possibly require that the grantee bring the tires to the processor.

Several municipalities have already held scrap tire cleanup days under this year's grant program. Some municipalities requested to hold additional cleanup days since they did not use all of the allotted funds. Loose packing of tires at these cleanup days increases transportation costs. Tires may be better packed by transporter or alternately the processor could offer training and pictures to the municipal coordinator to show how to properly lace tires.

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A best practices guide may be useful for communities, which would include how to properly pack tires, also suggesting vouchers for individuals, which would limit how many tires each person can bring to the cleanup days. Do not take tires from businesses or other commercial enterprises. Ideas for such a guide can come from committee members. This group should develop an outline for what such guidance should include. This will be put on the next meeting agenda for further discussion.

Include language in the grant application to encourage coordination within individual counties with collection days and the subsequent consolidation of the tires collected at one site, such as county road commission yards, could save on transportation costs. It was suggested that the MSU extension office be used to coordinate community cleanup days. In addition we should target communities where there are known scrap tire problems.

A longer time frame for allowing for collection before tire removal is required from the community collection sites may be helpful so that a count can be taken or processors can load or supervise loading of the tires to ensure that excess trailers are not delivered to the cleanup site. If municipalities collect more tires than expected, the DEQ could consider whether they may be able to request additional funds, if money is still available. There will be no additional money this fiscal year for community clean up grants. These types of grants were limited to a one-time \$3,000 amount.

Rhonda Oyer will put together some draft language for the community cleanup grant changes to run by the STAC members later this summer.

There was discussion in regards to stopping customers from taking their tires home to avoid the disposal fees. Smaller companies look at the disposal fee as free income. It was suggested that a deposit be charged on each tire if a customer chooses to take their tires with them. Kentucky has such a requirement. They charge \$10 per tire deposit. This stops most people from taking their tires with them, which would limit the amount of tires disposed illegally. Wayne Shotwell of Belle Tire stated that less than 1 percent of their customers keep the old tires, so the problem is small.

Update on Biomass and TDF: Genesee Power stations tire disposal fuel permit has been approved. They will start using tires in October. They plan to use approximately 3,000 tons per year.

Update on EPA regulations: Michael Blumenthal gave an update on the Boiler MACT and SWSWI rules. EPA has put a stay on both. The EPA is going to reconsider both. They are going to open a new comment period soon.

Three environmental groups have gone to court to undo the stays on these rules. The enforcement of the solid waste rule will be delayed until at least 2015. The solid waste rules will not be enforced until Boiler MACT and SWSWI rules are approved. The

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EPA does not want to re-open its definitions of solid waste. The comment period for the definition of solid waste ends on June 20, 2011.

The EPA will send letters of clarification for any issues that arise after the solid waste definitions are finalized. It is likely that the EPA will be sued after June 20 by various groups protesting some of the solid waste definitions. It is expected to take two to three years to get through this process.

Under the new solid waste rules scrap tires are considered solid waste, including tires from stockpiles. Scrap tires are exempted from the solid waste definition, if they are processed, which means chips no bigger than 2 inches by 2 inches with wire removed. Community cleanup day tires would also be exempt from being defined as solid waste.

Scrap Tire End-Use; Estimated Usage and Capacity Information: The 2009 End Use Table was shared with the STAC. The 2010 End Use Table is still being drafted. Rhonda Oyer stated that since the End Use Table depicts far less re-treaded tires then there probably are, we don't have accurate numbers. Wayne Shotwell of Belle Tire stated Belle Tire re-treaded more than 50,000 tires per year and that Bandag likely re-treads 60,000 to 70,000 tires per year. He stated that he would try to get Rhonda better numbers. Rhonda will also poll District Tire Staff on how many re-treaders are in their respective area.

It was suggested that the amount of TDF produced each year be separated from other products.

TDF has a similar heat value as wood. If wood is cheaper it will be used in lieu of TDF. In order for TDF to be a viable product at that point it may have to be subsidized.

There were no comments on the updated map of regulated/registered Outdoor Scrap Tire Collection Sites.

A discussion was held on possibly raising the amount of scrap tires that can be stored without bonding at scrap tire re-treaders. It was suggested that the amount of tires stored on-site could be tie barred to production. It was also suggested that re-treaders might be considered as end-users, if they certify that at least 75 percent of the tires received were retreaded each year.

Discuss potential Legislative changes: Proposed Revisions to Part 169 were discussed:

Rhonda Oyer handed out a table depicting other Great Lake States scrap tire regulations regarding hauler registration/license fees and bonds.

- As in the previous meeting there was discussion of having haulers have a \$200 registration fee and bond to obtain a hauler registration: The bond requirement would legitimize the process and weed out the haulers that are not truly in the business, including "midnight dumpers." It was suggested that the hauler be required to post a bond in the amount of \$10,000. The bond could be used to cleanup illegally dumped tires.
- Discussion of proposed changes to the law to require retailers to give their tires
 to registered and bonded hauler. If they fail to do so, impose a fine. The DEQ
 Waste Data System database can be used by retailers to verify if a hauler is
 registered or not, rather than relying on the list of registered commercial haulers.
 Not all the haulers want to be on the commercial list.
- A discussion took place regarding if used tires are being sold using a bill of lading, they could be exempt from scrap tire hauler requirements. It was decided that this may be a slippery slope we may not want to attempt.
- Section 16903(4) of Part 169 needs to be re-worded or clarified further, in regards to owners and operators.
- Section 16906(4) of Part 169 needs to be changed to remove proposed customer requirement to maintain records.
- The language of Section 16908 (2) and (3) of Part 169 was consolidated for grants to make the language clearer and simpler. This will allow more flexibility in shifting funding to the market development program since the majority of the stockpiles have been cleaned up.

Michael Blumenthal stated that he would like to see any money from the grant program not used to cleanup scrap tires to address obstacles and create demand for tire material, which goes hand in hand with market development.

Rhonda Oyer will redraft the proposed amendments based on the discussion for the next meeting.

Next meeting date is Wednesday, September 14, 2011, from 10:00 a.m. - 2:00 p.m. in the Rachel Carson Conference Room.